

the Dallas Times Herald, one of the five largest newspapers in Texas, have stated that this mammoth theft of oil is approaching \$6 million in value a month, and that over the course of 25 months, at the rate of theft, \$150 million worth of oil will have been stolen in violation of Federal law.

I wish particularly to call attention to an article published by the Associated Press, which states that there is the possibility of Federal prosecution in the oil-drilling scandal under the Connally Hot Oil Act.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "Order Prohibiting Oil Well Plugging Extended," published in the Houston Post of June 13, 1962, and also an article entitled "Court Action Viewed in ETEX Oil Scandal," published in the Dallas Times Herald of June 15, 1962.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Post, June 13, 1962]
ORDER PROHIBITING OIL WELL PLUGGING
EXTENDED

AUSTIN.—The Texas Railroad Commission Tuesday extended for 30 days its order forbidding operators in the east Texas oilfield to plug their wells and thus interfere with the massive oil-stealing probe.

The commission's original 15-day order was due to run out at the end of this week, but was extended at the request of the attorney general's office which has hired private crews to survey suspected wells.

The action came after Assistant Attorney General Houghton Brownlee told the Associated Press that the first round of surveys to find crooked wells in the rich field might not be completed by the tentative deadline of Saturday.

Attorney General Will Wilson said originally that he hoped the first round of directional surveys in the field would be completed by this week.

However, Brownlee said Tuesday, "It's not going as fast as we originally thought. We might finish by the end of the week, but it looks doubtful now."

Railroad Commission Chairman W. J. Murray said recently that the surveys were not being completed as fast as planned because of unfamiliarity with some of the well hook-ups.

"It's like going into someone else's kitchen to bake a cake," he said. "It takes a little longer to find out just where the salt and sugar and flour are."

The private crews hired by the State to do the directional surveys completed No. 21 Monday and scheduled six more for Tuesday. Wilson said that directional surveys are not being done unless inclination surveys first show that a well has been illegally deviated—slanted or curved—to take oil from nearby leases.

The relatively quick and inexpensive inclination surveys done by the railroad commission can show whether a well is illegally deviated. However, the more time-consuming and costly—about \$800—directional surveys must then be run to find out exactly how much slant there is.

Brownlee said that investigators are running into elaborate devices to disguise illegal operations in the field.

One of the devices, he said, is to hook up several low-producing or nonproductive wells to an illegally slanted well and make it appear that oil is coming from all of them.

On one lease, Brownlee said, an investigator found a maze of buried plastic pipe

connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground.

The plastic pipe was used instead of metal pipe, he said, so that investigators could not find it with mine detectors.

[From the Dallas Times Herald, Friday, June 15, 1962]

COURT ACTION VIEWED IN ETEX OIL SCANDAL

AUSTIN.—State court action against operators who drilled slanted holes in the east Texas oilfield may come in a month or 6 weeks, Attorney General Will Wilson said yesterday.

Wilson said the facts of the crooked hole drilling become more startling as he goes further into the case.

Wilson, the Texas Railroad Commission, and the State department of public safety are investigating the wells which allegedly are slanted in order to siphon oil from nearby leases. Federal authorities are looking into the case also.

"I think we have just touched one corner of the situation," Wilson said.

The suits, which Wilson's office is contemplating, could seek up to \$1,000 a day for each day an illegally deviated well was in operation.

Along with State action, there is the possibility of Federal prosecution under the Connally "Hot Oil Act" and civil damage suits being filed by lease owners who lost oil to deviated wells.

Directional surveys have been made on 23 wells in the last 2 weeks. The surveys are not conducted unless earlier inclination surveys by the Railroad Commission show that the well hole is slanted more than 3° from straight down.

Wilson won restraining orders on four more leases yesterday prohibiting operators from interfering with the commission's surveys. Similar orders now cover 32 leases.

One commission employee has estimated that before the tests are completed, 160 wells will be surveyed. Wilson estimates this at several hundred.

AGREEMENT BETWEEN UNITED STATES AND BELGIUM FOR CO-OPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

Mr. GORE. Mr. President, on May 29, 1962, President Kennedy transmitted to the Congress a proposed agreement between the Government of the United States of America and the Government of Belgium for cooperation in the uses of atomic energy for mutual defense purposes. This agreement has been referred to the Joint Committee on Atomic Energy and to its Subcommittee on Agreements for Cooperation, of which I am the chairman.

The purpose of this proposed agreement is to permit the exchange of restricted data and certain nonnuclear materials to enable improved cooperation in developing plans and training Belgian personnel assigned to NATO forces. Similar agreements have been signed with some of the other NATO countries, and the President has made the determination that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

The Atomic Energy Act requires that any such proposed agreement for co-operation relating to the military uses

of atomic energy must be submitted to the Congress and the Joint Committee for a 60-day period prior to execution of the agreement. It has been the practice of the Joint Committee to hold a hearing on each proposed agreement and to submit a report to the Members of the Senate and the House in order that they may be fully informed of the provisions and implications of any such proposed agreement.

Accordingly, I have scheduled a public hearing of the Subcommittee on Agreements for Cooperation on Monday, June 25, 1962, at 2 p.m., to consider this proposed agreement with Belgium as well as certain other proposed agreements relating to the peaceful uses of atomic energy which may then be pending before the Joint Committee for its review.

Mr. President, I ask unanimous consent that a copy of the proposed agreement with Belgium, and certain supporting documents, be printed in the RECORD following my remarks.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

This Government has recently signed with the Government of Belgium an atomic co-operation agreement for mutual defense purposes. This agreement, which has been concluded pursuant to sections 91-c and 144-b of the Atomic Energy Act, is essentially the same as agreements we have concluded since 1959 with a number of other NATO countries. By providing for the exchange of information and nonnuclear materials the agreement with Belgium will enable us to cooperate in developing plans and training personnel so that Belgian NATO forces can effectively contribute with other NATO countries to the collective defense effort. The members of NATO have made clear that it is necessary for their common defense to maintain the most modern NATO forces, and that these forces must be capable of using nuclear weapons if necessary. Since it is well known that measures to build NATO military strength are designed solely for defense purposes, these measures should not be a cause of concern to other countries.

In general, NATO countries are proceeding simultaneously along two lines to provide for their necessary military strength: conventional forces are being strengthened, and an effective nuclear capability is being maintained. The conclusion of this agreement is consistent with these current policies and with the continuing alliance purposes of collective defense.

I am forwarding a copy of the atomic co-operation agreement with Belgium to each House of the Congress, in accordance with the Atomic Energy Act of 1954, as amended. I am also forwarding a letter from the Secretary of State transmitting an authoritative text of the agreement, a copy of the joint communication by the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement and a copy of the memorandum recording my affirmative response to their recommendation.

JOHN F. KENNEDY.

THE WHITE HOUSE, May 29, 1962.

The following is the text of the letter to the President from the Secretary of State:

MAY 18, 1962.

The President,
The White House.

DEAR MR. PRESIDENT: I have the honor to lay before you with a view to its submission to the Congress, pursuant to the Atomic

Energy Act of 1954, as amended, an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes, which was signed at Brussels on May 17, 1962.

This agreement was signed on behalf of the United States pursuant to the authorization granted in your memorandum of March 23, 1962, to the Secretary of Defense and the Chairman of the Atomic Energy Commission, a copy of which was transmitted to the Department of State.

Faithfully yours,

DEAN RUSK.

The following is the text of the letter to the President from the Chairman of the Atomic Energy Commission and the Deputy Secretary of Defense:

MARCH 22, 1962.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed Agreement between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The proposed Agreement will permit, under the authority of Sections 91c and 144b of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of Belgium. The December 1957 NATO Heads of Government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present Agreement is an important part of the implementation of this concept. The carrying out of this Agreement should do much to advance our mutual defense interest, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the Agreement provides for the transfer of classified information, including "Restricted Data" and "Formerly Restricted Data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the Agreement provides that the United States will transfer non-nuclear parts of atomic weapons systems involving Restricted Data (other than non-nuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of Belgium. However, in view of Section 91c of the Atomic Energy Act, the applicability of which is reflected in Article IV of the Agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the Agreement. Accordingly, under the terms and conditions of the Agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

The Agreement would remain in force until terminated by agreement of both parties,

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thus assuring continued protection for the information and equipment transferred in accordance with the provision of the Agreement. However, cooperation for the transfer of information and equipment under Articles II and III of the Agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of Sections 91c and 144b of the Atomic Energy Act of 1954, the Agreement specifically provides in Article I that all cooperation under the Agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the Agreement also provides, in accordance with the Act, that all cooperation under the Agreement will be undertaken only while the United States and Belgium are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under Articles II and III of the Agreement would be undertaken only when these conditions prevail.

Article IV of the Agreement stipulates that the cooperation under the Agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the Agreement of atomic weapons, non-nuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature and scope of cooperation, the Agreement provides that the parties will maintain agreed security safeguards and standards. The Agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the Agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the Agreement.

Belgium is now participating with the United States in an international arrangement pursuant to which Belgium is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this Agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (a) approve the program for the transfer of non-nuclear parts of atomic weapon systems involving Restricted Data under the terms and conditions provided in this letter and the proposed Agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval; (b) determine that the performance of this Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (c) approve the proposed Agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State.

The Secretary of State concurs in the foregoing recommendations.

Sincerely,

ROSWELL L. GILPATRICK,
Deputy Secretary of Defense.
GLENN T. SEABORG,
Chairman, Atomic Energy Commission.

MEMORANDUM FOR THE SECRETARY OF DEFENSE
AND THE CHAIRMAN, ATOMIC ENERGY COMMISSION

MARCH 23, 1962.

In your joint letter to me of March 22, 1962, you recommended that I approve a proposed Agreement between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

Belgium is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed Agreement will permit cooperation necessary to improve the state of training operational readiness of the armed forces of Belgium, subject to provisions, conditions, guarantees, terms and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the Agreement, including security safeguards and other terms and conditions of the agreement, I hereby (1) approve the program for the transfer of non-nuclear parts of atomic weapon systems involving Restricted Data under the terms and conditions provided in your joint letter and the proposed Agreement; however, types, quantities and conditions of transfer of such parts are subject to my further approval; (2) determine that the performance of this Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (3) approve the proposed Agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

JOHN F. KENNEDY.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF BELGIUM FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of Belgium, Considering that they have concluded a Mutual Defense Assistance Agreement, pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the United States Atomic Energy Act of 1954, as amended, and all applicable statutes of Belgium, which were enacted or prepared with these purposes in mind;

Have agreed as follows:

ARTICLE I

General provisions: While the United States and Belgium are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each

Party will communicate to and exchange with the other Party information and transfer non-nuclear parts of atomic weapons systems involving Restricted Data to the other Party in accordance with the provisions of this Agreement, provided that the communicating or transferring Party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II

Exchange of information: Each Party will communicate to or exchange with the other Party such classified information as is jointly determined to be necessary to: (a) the development of defense plans; (b) the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy; (c) the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and (d) the development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III

Transfer of non-nuclear parts of atomic weapons systems: The Government of the United States will transfer to the Government of Belgium, subject to terms and conditions to be agreed, non-nuclear parts of atomic weapons systems involving Restricted Data as such parts are jointly determined to be necessary for the purpose of improving Belgium's state of training and operational readiness.

ARTICLE IV

Conditions:

A. Cooperation under this Agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this Agreement there will be no transfer by either Party of atomic weapons, non-nuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or non-nuclear parts of atomic weapons systems transferred, by either Party pursuant to this Agreement shall be used by the recipient Party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this Agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the Parties.

ARTICLE V

Guarantees:

A. Classified information and non-nuclear parts of atomic weapons systems communicated or transferred pursuant to this Agreement shall be accorded full security protection under applicable security arrangements between the Parties and applicable national legislation and regulations of the Parties. In no case shall either Party maintain security standards for safeguarding classified information, and non-nuclear parts of atomic weapons systems, made available pursuant to this Agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this Agreement comes into force.

B. Classified information communicated or exchanged pursuant to this Agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the Parties.

C. Classified information, communicated or exchanged, and any non-nuclear parts of atomic weapons systems transferred pursuant to this Agreement shall not be communicated, exchanged or transferred by the recipient Party or persons under its jurisdiction to any unauthorized persons or, except as provided in Article VI of this Agree-

ment, beyond the jurisdiction of that Party. Each Party may stipulate the degree to which any of the information and non-nuclear parts of atomic weapons systems communicated, exchanged or transferred by it or persons under its jurisdiction pursuant to this Agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or non-nuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or non-nuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI

Dissemination: Nothing in this Agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either Party with other nations or international organizations. Neither Party, however, shall so communicate classified information or transfer or permit access to or use of non-nuclear parts of atomic weapons systems made available by the other Party pursuant to this Agreement unless:

A. It is notified by the originating Party that all appropriate provisions and requirements of the originating Party's applicable laws, including authorization by competent bodies of the originating Party, have been complied with which would be necessary to authorize the originating Party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating Party authorizes the recipient Party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating Party has informed the recipient Party that the originating Party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII

Classification policies: Agreed classification policies shall be maintained with respect to all classified information and non-nuclear parts of atomic weapons systems communicated, exchanged, or transferred under this Agreement.

ARTICLE VIII

Responsibility for use of information and non-nuclear parts of atomic weapons systems: The application or use of any information (including design drawings and specifications) or non-nuclear parts of atomic weapons systems communicated, exchanged or transferred under this Agreement shall be the responsibility of the Party receiving it, and the other Party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX

Patents: The recipient Party shall use the classified information communicated, or revealed by equipment transferred hereunder, for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient Party or persons under its jurisdiction shall be made available to the other Party for all purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of Article V of this Agreement.

ARTICLE X

Definitions: For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal

purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services, or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or Belgium, including that designated by the Government of the United States as "Restricted Data" or "Formerly Restricted Data" and that designated by the Government of Belgium as "Atomic".

C. "Non-nuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "non-nuclear parts of atomic weapons systems involving Restricted Data" means parts of atomic weapons systems, other than non-nuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted Data" and "Formerly Restricted Data."

2. So far as concerns information provided by the Government of Belgium, information which is designated "Atomic."

ARTICLE XI

Duration: This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this Agreement, and shall remain in force until terminated by agreement of both Parties except that either Party may terminate its cooperation under Articles II or III upon the expiration of the North Atlantic Treaty.

In witness whereof, the undersigned, duly authorized, have signed this Agreement.

Done at Brussels, in duplicate, in the English and French languages, both texts being equally authentic, this 17th day of May, 1962.

For the Government of the United States of America:

DOUGLAS MACARTHUR II.

For the Government of Belgium:

P. H. SPAAK.

HIGH INTEREST RATES

Mr. LONG of Louisiana. Mr. President, in connection with the current furor over the alleged antibusiness bias of the Kennedy administration, inquiry into the present situation with regard to interest rates is pertinent.

There is nothing quite so complicated as the money and credit system of this, the greatest capitalistic nation on earth. It was planned to be that way. Otherwise, the workingman who pays throughout his lifetime for services in which he is not the least bit interested would demand a better break. With his vote, he would get it.

If the public ever comes to understand the monetary and fiscal system of this country, there will be an effort to make it more complicated in order to perpetrate the built-in injustices in the system.

In the past, when I have criticized high interest rates, I have found persons who would attempt to justify them.

But if an individual attempted to loan out at interest money which he did not